

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 OES-07 COME-00 EB-08 CIAE-00  
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FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC 5417

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E.O. 11652: N/A  
TAGS: EAID, IDB, EFIN, AR  
SUBJECT: PROPOSED IDB PROJECTS FOR 1978: APPLICATION FOR  
DEVELOPMENT OF NATIONAL SCIENCE AND TECHNOLOGY CENTER

REF: (A) AIDTO (UNNUMBERED) OF MARCH 21, 1978, (B) BUENOS  
AIRES 1661

1. OUR PRELIMINARY COMMENTS ON THIS PROJECT (REF B) WERE  
BASED ON SKETCHY INFORMATION PROVIDED BY THE IDB REPRESENTATIVE  
IN BUENOS AIRES. IN GENERAL TERMS, OUR ORIGINAL  
COMMENTS REMAIN VALID, ALTHOUGH THE ACTIVITIES ARE SOMEWHAT  
MORE DIFFUSE AND IN SOME INSTANCES DIFFERENT THAN OUR  
ORIGINAL INFORMATION INDICATED. ADDITIONAL COMMENTS ARE  
OFFERED BELOW:

SUBPROJECT - A -- CONICET

IN CONTRAST WITH OUR ORIGINAL INFORMATION, THE SUBPROJECT  
DESCRIPTION IF REF A. MAKES NO MENTION OF SEISMOLOGY RESEARCH  
IN MENDOZA AND INCLUDES ACTIVITIES OF QUESTIONABLE PRIORITY,  
SUCH AS RESEARCH ON NIVOLOGY AND GLACIOLOGY AND REPRODUCTIVE  
PROCESSES (WE ASSUME FOCUS WOULD BE ON INCREASING FERTILITY  
RATHER THAN BIRTH CONTROL). IN VIEW OF OUR MIXED EXPERIENCE  
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IN SCIENTIFIC COOPERATION WITH CONICET THROUGH THE NATIONAL  
SCIENCE FOUNDATION, WE WOULD RECOMMEND THAT THE IDB  
EXPOERTS STUDY CLOSELY ALL OF CONICET'S PROJECT PROPOSALS  
AND DETERMINE MORE CONCRETELY THE RESULTS EXPECTED  
FROM THE VARIOUS ACTIVITIES TO BE FUNDED.

SUBPROJECT - B -- INCYTH

INCYTH'S REPUTATION IS EXCELLENT AND THE ACTIVITIES DESCRIBED IN THE SUBPROJECT WOULD APPEAR TO SUPPORT THE HIGH PRIORITY THE GOA PLACES ON WATER RESOURCES DEVELOPMENT.

2. IN THE FIRST INSTANCE, THE PROJECT WILL BENEFIT PRIMARILY THE PROFESSIONAL SCIENTIFIC MIDDLE CLASS COMMUNITY IN ARGENTINA. ONLY LATER, THROUGH THE RESEARCH ACTIVITIES FINANCED, WILL THE LOWEST ECONOMIC STRATA OF THE ARGENTINE POPULATION OBTAIN ANY SIGNIFICANT BENEFITS.

3. WE BELIEVE THAT THE GOA WILL BE IN A POSITION BY FY 1979 TO MAKE THE NECESSARY BUDGETARY ALLOCATIONS REQUIRED FOR ITS CONTRIBUTION TO THE PROJECT. SCIENCE AND TECHNOLOGY'S SHARE OF THE GOA BUDGET WAS INCREASED FROM 1.9 PERCENT IN 1977 TO 2.2 PERCENT IN 1978.

4. A GENERAL QUESTION, NOT SPECIFICALLY RELATED TO THIS PROJECT, IS WHETHER INCREASED FOREIGN INDEBTEDNESS AT THIS TIME IS IN ARGENTINA'S OWN INTERESTS. ARGENTINA'S FOREIGN EXCHANGE RESERVES NOW TOTAL OVER \$5 BILLION (WELL OVER A YEAR'S IMPORTS) AND ARE EXPECTED TO CONTINUE TO RISE IN 1978, PARTLY AS A RESULT OF SUBSTANTIAL FOREIGN BORROWING BY THE PUBLIC SECTOR. A FURTHER INCREASE IN RESERVES IS AN UNNECESSARY LUXURY AND IN FACT WILL COMPLICATE THE GOA'S LIMITED OFFICIAL USE

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EFFORTS TO COMBAT INFLATION, THE PRINCIPAL ECONOMIC PROBLEM FACING ARGENTINA TODAY. GOA FOREIGN COST FINANCING OF AT LEAST SOME OF ITS OWN PRIORITY PROJECTS COULD THEREFORE BE SALUTARY AND AT THE SAME TIME SAVE THE IDB RESOURCES FOR LENDING TO OTHER COUNTRIES IN A LESS FORTUNATE FINANCIAL POSITION.  
CASTRO

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SCIENTIFIC COOPERATION, DEVELOPMENT BANKS, DEVELOPMENT LOANS, DEVELOPMENT PROGRAMS  
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**Copy:** SINGLE  
**Draft Date:** 20 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Subject:** PROPOSED IDB PROJECTS FOR 1978: APPLICATION FOR DEVELOPMENT OF NATIONAL SCIENCE AND TECHNOLOGY CENTER  
**TAGS:** EAID, EFIN, TGEN, AR, IDB  
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